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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board — May 1988

WORLD BUSINESS EXPANSION CONTINUES —Strong in the Pacific Region

SUMMARY

Worldwide, the long expansion of the business cycle continues. For the future, however, the leading indexes are putting out ambivalent signals.

Regionally, only the Pacific area shows strength. Elsewhere, economic activity is advancing in pedestrian fashion and the leading indexes are tracing an uneven and indecisive pattern.

Nationally, all four Pacific region countries are vying for the title of fastest growing economy. Based on the movement of both the performance and leading indexes, South Korea shows the greatest strength.

Interpretation: For the most part, the latest readings on the world business cycle provide little to cheer about but little basis for melancholy either. And, as Gilbert and Sullivan observed, it's no good when "there's nothing whatever to grumble at."

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Ten countries	3	4	5	5	15	6	3	Expansion continuing	Feb.
9 countries excl. U.S.	3	4	6	6	19	8	5	Expansion continuing	Feb.
North America (2)	3	4	5	5	9	4	2	Expansion continuing	Feb.
Europe (4)	2	4	5	4	4	1	1	Expansion continuing, leaders weak	Feb.
Pacific Region (4)	4	5	7	9	42	17	9	Expansion continuing	Feb.
United States	3	4	5	5	8	3	2	Expansion continuing	Mar.
Canada	3	6	7	5	5	6	3	Expansion continuing	Feb.
West Germany	2	3	4	3	6	1	1	Expansion continuing, leaders weak	Feb.
France	2	5	5	5	7	2	3	Expansion continuing	Feb./Mar.
United Kingdom	2	6	6	5	5	1	0	Expansion continuing, leaders weak	Feb.
Italy	2	1	4	7	-1	-1	-2	Expansion continuing, leaders weak	Jan./Feb.
Japan	4	4	7	9	50	19	10	Expansion continuing, leaders strong	Feb.
Australia	3	8	10	14	12	5	3	Expansion continuing	Mar./Feb.
Taiwan, R.O.C.	8	12	6	4	20	12	13	Expansion continuing, leaders strong	Mar.
Korea, R.O.K.	7	12	13	12	19	14	17	Expansion continuing, leaders strong	Mar.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1986-87

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
July	86	114	118	115	115	113	121	108	113	125	119
Aug.	86	114	118	115	115	113	121	108	113	125	120
Sept.	86	115	119	115	116	114	122	108	113	127	122
Oct.	86	115	120	116	117	114	122	108	113	127	124
Nov.	86	115	120	116	118	114	121	109	114	127	126
Dec.	86	116	121	116	119	115	123	109	114	128	128
Jan.	87	116	122	117	120	114	124	109	115	129	131
Feb.	87	116	124	117	121	116	127	109	115	129	132
Mar.	87	116	125	117	123	116	128	109	116	129	137
Apr.	87	117	127	118	126	116	129	110	116	129	142
May	87	117	128	118	127	116	128	110	116	129	148
June	87	117	131	118	130	116	131	111	117	131	153
July	87	118	132	119	132	117	131	111	118	132	157
Aug.	87	118	134	119	134	118	132	111	118	132	163
Sept.	87	119	134	120	134	118	132	112	118	134	163
Oct.	87	120	133	121	134	119	132	112	118	134	161
Nov.	87	120	132	122	132	119	131	113	117	135	158
Dec.	87	121	132	122	132	120	131	113	117	136	159
Jan.	88	121	133	123	133	120	131	114	117	137	161
Feb.	88	122	133	123	133	120	132	113	118	139	160

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
3	3	4	3	2	3	4	3	3	5
3	3	3	3	2	2	3	2	3	5
3	4	4	5	2	3	4	3	4	8
3	5	4	6	2	3	4	3	4	11
3	4	3	6	2	1	3	3	3	13
3	6	3	8	3	4	3	3	4	15
3	7	4	8	2	4	3	4	5	17
3	9	3	9	3	9	3	4	4	17
3	10	3	11	3	9	3	4	4	22
3	12	3	13	3	9	3	5	3	28
3	12	3	14	3	8	3	4	2	31
4	15	4	17	3	11	3	5	4	38
4	14	5	17	4	10	4	5	6	39
4	15	4	19	4	9	4	4	5	42
5	13	5	16	4	8	4	4	7	35
5	10	5	12	5	7	4	3	7	27
5	6	6	8	5	4	5	1	7	17
5	5	6	6	5	3	4	1	7	14
5	5	6	6	5	3	5	1	7	13
5	3	6	5	5	2	4	1	9	9
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1986-88

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.	
		Indexes, 1980 = 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
July	86	113	122	117	116	108	111	112	115	104	112	107	113	124	116	118	114	149	160	163	166
Aug.	86	113	122	117	116	108	111	112	115	104	112	106	113	124	116	119	115	150	162	167	169
Sept.	86	113	123	118	116	108	111	112	116	105	113	107	113	125	119	118	116	152	163	166	170
Oct.	86	113	123	117	116	108	111	112	116	105	113	107	114	126	121	119	118	154	165	168	171
Nov.	86	114	122	117	116	108	112	112	116	106	113	107	114	125	123	120	119	156	168	169	171
Dec.	86	114	124	118	116	108	112	113	117	106	113	107	115	126	126	119	121	158	169	170	173
Jan.	87	114	124	118	117	108	113	113	117	106	115	107	114	127	128	119	121	158	169	173	172
Feb.	87	115	128	119	118	108	114	114	117	107	115	107	115	127	129	120	122	162	174	176	182
Mar.	87	115	129	120	119	108	114	114	118	107	116	107	115	127	135	120	124	160	174	178	181
Apr.	87	116	129	121	120	109	114	114	120	108	115	108	117	126	141	121	125	163	180	178	184
May	87	116	129	121	120	109	114	115	120	108	116	108	116	126	146	122	126	163	181	179	184
June	87	116	132	122	120	110	115	116	120	109	116	107	117	128	154	123	127	165	182	182	188
July	87	117	132	122	121	110	116	116	121	110	117	108	116	129	158	125	128	168	183	182	189
Aug.	87	117	133	123	121	110	117	116	121	110	117	106	114	129	166	125	130	170	187	181	181
Sept.	87	118	133	124	123	110	116	117	122	111	117	108	115	131	164	126	130	171	192	186	196
Oct.	87	118	133	125	122	110	116	118	121	111	117	109	116	132	163	126	130	171	194	185	188
Nov.	87	118	132	125	123	111	115	118	121	112	116	109	115	132	158	126	129	171	192	190	195
Dec.	87	119	132	126	123	111	115	118	121	112	116	109	114	133	159	129	129	170	193	193	198
Jan.	88	119	132	126	124	111	116	119	120	113	117	112	115	134	161	127	128	168	192	195	204
Feb.	88	120	132	126	123	112	116	119	122	112	116		114	136	161	130	130	175	196	196	204
Mar.	88	120	133						123							134		171	200	197	208
		Growth Rates, Percent																			
July	86	2	3	2	2	6	– 1	4	6	3	2	3	4	2	4	1	0	12	13	16	21
Aug.	86	2	2	2	2	5	0	4	6	2	1	1	3	2	4	2	1	12	13	19	22
Sept.	86	2	3	2	2	5	0	4	7	3	3	2	4	3	8	1	5	13	12	15	19
Oct.	86	2	3	2	2	4	0	4	6	3	2	2	4	3	11	2	7	13	12	15	17
Nov.	86	2	1	1	1	4	1	3	4	4	3	2	4	2	13	2	8	13	14	14	15
Dec.	86	3	4	2	2	3	2	4	6	4	3	2	3	3	16	1	10	14	13	13	15
Jan.	87	2	4	2	3	2	3	3	5	3	5	2	2	5	19	1	10	13	12	15	11
Feb.	87	4	9	3	4	2	5	3	4	4	5	1	3	3	18	3	10	15	15	15	21
Mar.	87	3	9	4	5	2	4	3	5	4	5	1	3	3	24	2	12	11	13	16	15
Apr.	87	3	9	5	6	3	4	4	7	5	4	2	4	2	31	3	12	13	18	13	16
May	87	3	8	5	5	2	3	4	6	4	5	2	2	1	35	4	13	11	17	11	13
June	87	3	11	6	5	2	4	5	6	5	4	1	4	3	44	6	12	11	15	12	16
July	87	4	10	5	5	3	5	5	6	6	5	1	3	5	45	8 –	11	12	14	11	14
Aug.	87	4	10	6	5	3	6	5	5	6	5	–1	–1	4	50	7	12	13	16	8	4
Sept.	87	4	8	6	6	3	4	5	7	6	4	1	0	6	40	8	12	12	20	12	19
Oct.	87	5	7	7	4	3	4	5	4	6	3	4	1	6	30	7	9	10	18	9	7
Nov.	87	5	4	7	6	4	1	5	3	6	1	3	–1	7	19	6	5	8	13	12	13
Dec.	87	5	3	7	5	3	0	5	2	6	0	3	–2	7	15	10	4	6	12	13	14
Jan.	88	4	2	6	6	2	1	5	1	6	2	7	–1	7	14	6	3	3	9	13	18
Feb.	88	5	2	5	3	3	1	5	3	5	0		–2	9	10	9	3	10	11	13	15
Mar.	88	5	2						3							14		4	13	12	17
		Ten Year Annual Growth Rate, Percent																			
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7